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STATE OF VERMONT
OFFICE OF THE STATE TREASURER

MICHAEL S. PIECIAK
STATE TREASURER

Treasurer's Office Omnibus Bill
Section by Section Summary

Section 1:

This section proposes changes to make it easier to return medical insurance payments sent to the Unclaimed Property fund. Unclaimed property in the form of medical insurance payments are often sent to hospitals without explanation of benefits (EOB) numbers or similar identifiers, making it impossible to match the funds to the correct patients. We propose revising §1492(5) to require inclusion of EOB numbers in unclaimed property reports would allow hospitals to properly credit patient accounts, improving accuracy, reducing administrative burden, and ensuring patients' funds are correctly returned.

Sections 2 and 3:

This section proposes a temporary funding adjustment to support Vermont Saves as it scales toward self-sufficiency by FY34, after its one-time startup appropriation is exhausted in FY26. The plan would temporarily redirect an existing transfer from the Unclaimed Property Fund—currently dedicated to the Higher Education Endowment Trust Fund—to the Vermont Retirement Security Fund through 2040 and raise the property transfer threshold from $100 to $150. The transfer is capped at $300k a year, and any funds beyond Vermont Saves' operating needs would continue to flow to Higher Education Endowment Trust Fund, preserving long-term HEETF distributions while providing sustainable, internal gap funding without requiring new general fund appropriations.

Section 4:

This section proposes raising the threshold for Unclaimed Property funds eligible for streamlined payment from $250 to $1,000. Currently, smaller claims are processed through a simplified procedure when ownership can be reasonably verified, while larger claims require more extensive review. Increasing the threshold for these streamlined claims would reduce unnecessary paperwork, accelerate payments, and lessen the administrative burden by removing thousands of low-risk claims from manual review. At the same time, the program would continue to maintain strong identity-verification safeguards to ensure that funds are paid securely and accurately.

Raising the automatic payment threshold would also significantly strengthen the Treasurer's MoneyBack Program, which proactively returns unclaimed funds to Vermonters without requiring them to file a claim using data from the Tax Department. This change would allow more residents to receive meaningful amounts of money quickly—helping cover essential expenses like rent, heating, medical bills, or car repairs—while ensuring more unclaimed property is actually reunited with its rightful owners.

Section 5:

This section raises the threshold for opening an estate to claim property from $5,000 to $10,000 to allow smaller amounts of unclaimed property to be distributed without requiring the opening of a probate estate. Property under $10,000 could instead be paid according to Vermont's existing rules of descent in 14 V.S.A. § 314, helping families claim rightful funds more quickly. This change reduces the stress and administrative burden of probate while maintaining clear safeguards and accountability, ensuring heirs receive property they might otherwise leave unclaimed.

The Treasurer's Office proposes increasing the threshold for streamlined payment of jointly owned property from $250 to $1,000. If the property has been listed for less than one year, payments would continue to be made proportionally to each owner who files a claim; after one year, the property could be paid in full to the first verified owner who files and holds at least a share. This change would simplify the claims process by reducing the need to coordinate multiple heirs for small amounts, easing administrative and time burdens on families, lowering costs for the Treasurer's Office, and enabling faster, more efficient return of property to Vermonters with minimal added risk.

Section 6:

This section authorizes the State retirement system to levy penalties for late or inaccurate employer payments, aligning it with existing authority in the Teachers' and Municipal Systems. Currently, the State System lacks late payment enforcement language despite having non-State participating employers such as towns and sheriffs' offices. Adding this authority ensures timely contributions so member accounts remain current and funds can be invested properly, while maintaining consistency across systems. Notably, similar authority has existed for years in the Teachers' and Municipal Systems without needing to be used.

Section 7:

This section creates a Pension and Benefits Funding Task Force to review funding and amortization policies for the State and Teachers Retirement Systems, as well as retiree health benefits (OPEB), without examining benefits or contribution levels. The task force aims to identify ways to maintain full funding, building broad stakeholder consensus to reduce volatility as the systems approach 2038. It will provide recommendations to the Legislature for potential funding policy changes in the 2027 session, with a proposed appropriation of $75,000 for actuarial and technical support, staffed primarily by the Treasurer's Office with assistance from VPIC and JFO.

Sections 8-20:

These sections transfer fiduciary oversight of OPEB funds from the State Treasurer to VPIC. Moving investment authority to VPIC follows best practices by replacing a sole fiduciary with a committee model and takes advantage of VPIC's technical expertise and access to broader investment opportunities. With OPEB assets growing rapidly—from $57.6 million (VSERS) and $8.7 million (VSTRS) in FY2020 to $223.4 million and $162.8 million in FY2025—this transfer is critical for effective and sustainable fund management. These sections also do some statutory "clean-up" by moving sections pertaining to VPIC out of the retirement sections and into VPIC's sections.

Sections 21-22:

These sections authorize members of VSTRS and VMERS to purchase service credit for time spent serving as president of an employee organization, such as the NEA, while fully released from active employment. Like other service purchases—for military, Peace Corps, or other school service—these purchases are actuarially neutral, fully covering the cost of the service credit, and impose no cost on the State or the retirement system.

Section 23:

This section implements statutory changes recommended by the CDAAC committee and supported by the Department of Finance and Management, allowing CDAAC to consider additional criteria when making recommendations. These include the remaining useful life of State infrastructure, potential future capital maintenance and replacement costs, and other metrics used by recognized bond rating agencies, including long-term liabilities not captured in prior subdivisions.

Section 24:

This section grants the Treasurer's office one new position in the Retirement Division and two positions in the Unclaimed Property Division.

Two Program Tech III positions in the Unclaimed Property Division:

The Unclaimed Property Division is experiencing sustained and significant growth in claims and payouts driven by successful outreach and advertising, far exceeding current staffing capacity. Claims paid have increased from 18,493 totaling $3.8 million in FY23 to 31,593 totaling $9.45 million in FY25, with early FY26 trends already showing an additional 11.7% increase over last year. This rapid growth has strained existing staff, contributing to processing delays, increased fraud risk, and limited capacity to meet expanding statutory, regulatory, and reporting requirements. Adding two positions is necessary to manage claim volume, strengthen fraud detection and compliance oversight, improve reporting and transparency, and enhance holder outreach—efforts that also increase remittances and state revenue. Because the Division is fully self-funded, these positions would have no impact on the General Fund.

Policy and Research Manager in the Retirement Division:

Section 24 requests a new Policy and Research Manager position for the Retirement Division. Vermont's Retirement Division is one of the leanest in the country, serving 2,860 members per staff—far above the national median of 1,367 and comparably sized systems at 1,200—while administering multiple plans, including DB, DC, deferred compensation, and OPEB. This position would focus on Supplemental Plans and OPEB, which have only recently come under direct oversight by the Division. Because the Division is fully self-funded, these positions would have no impact on the General Fund.